Interim Results
18th November, 2009

Ben Gordon

Chief Executive

Performance highlights

- Group sales +7.9% to £387.3m
- Group network sales up 13.6% to £549.1m
- Group underlying profit before tax +11.1% to £10.0m
- International retail sales up 29.6%; International LFLs up 1.0%;
- UK retail sales up 2.7%; UK LFLs up 4.0%
- Total Direct sales up 15.0% to £58.0m
- Interim dividend +19.6% to 5.5 pence

Mothercare group strategy

Two global brands

4 growth channels

- UK stores
- Franchise
- Direct
- Wholesale

Neil Harrington

Finance Director

Income statement

	09/10 £m	08/09 £m	
Revenue	387.3	359.0	7.9%
Underlying profit from operations	**16.4**	**11.6**	**41.4%**
Share based payments	(6.1)	(2.5)	
Financing	(0.3)	(0.1)	
Underlying profit before tax	**10.0**	**9.0**	**11.1%**
Exceptional items	(0.8)	(1.7)	
Other non-underlying items	(16.3)	5.9	
Profit before tax	**(7.1)**	**13.2**	

Note: 08/09 has been restated for the impact of IAS 38

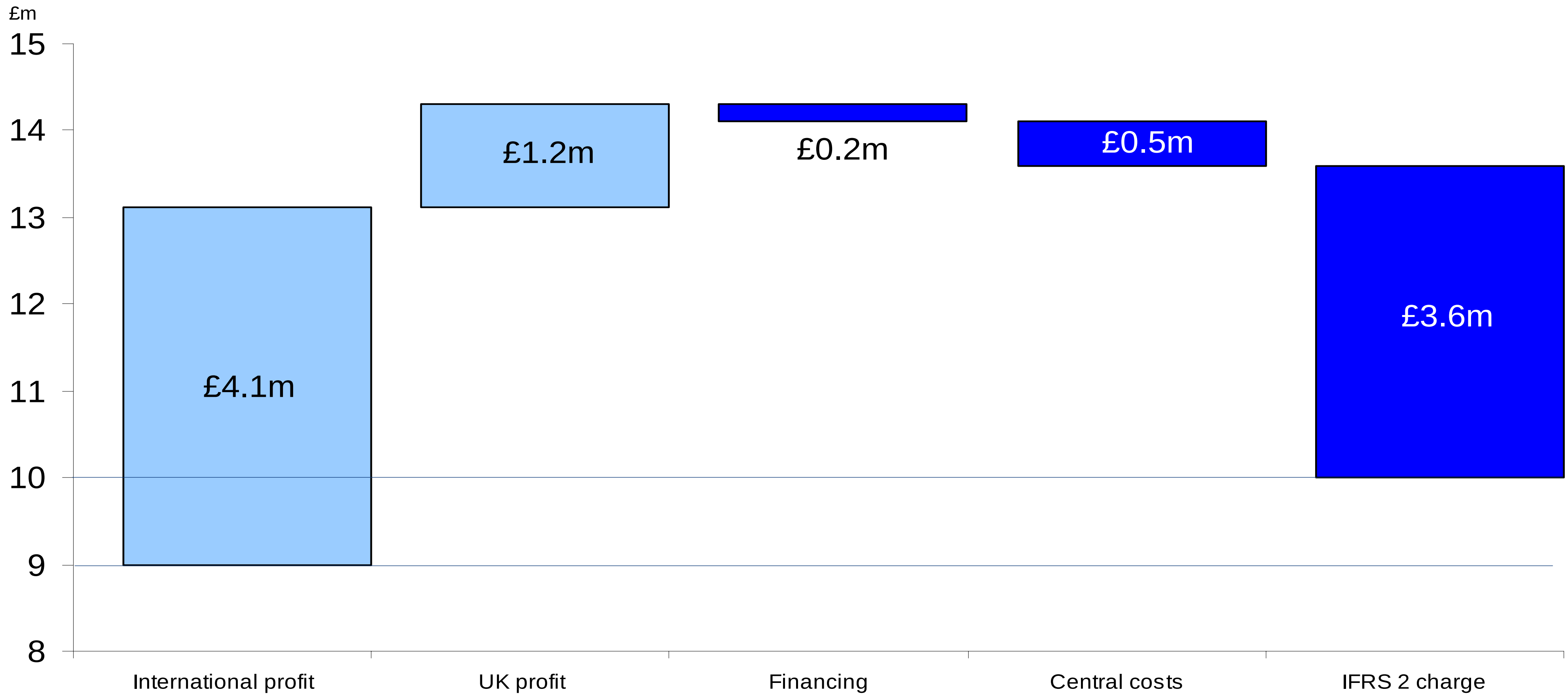
Underlying profit growth in UK and International

Revenue	**09/10 £m**	**08/09 £m**	
UK	296.3	288.5	2.7%
International retail sales	252.8	195.0	29.6%
'Network sales'	**549.1**	**483.5**	**13.6%**

Underlying profit	**09/10 £m**	**08/09 £m**	
UK	9.0	7.8	15.4%
International	11.8	7.7	53.2%
Corporate	(4.4)	(3.9)	(12.8)%
Share based payments	(6.1)	(2.5)	
Financing	(0.3)	(0.1)	
Total	**10.0**	**9.0**	**11.1%**

Note: 08/09 has been restated for the impact of IAS 38

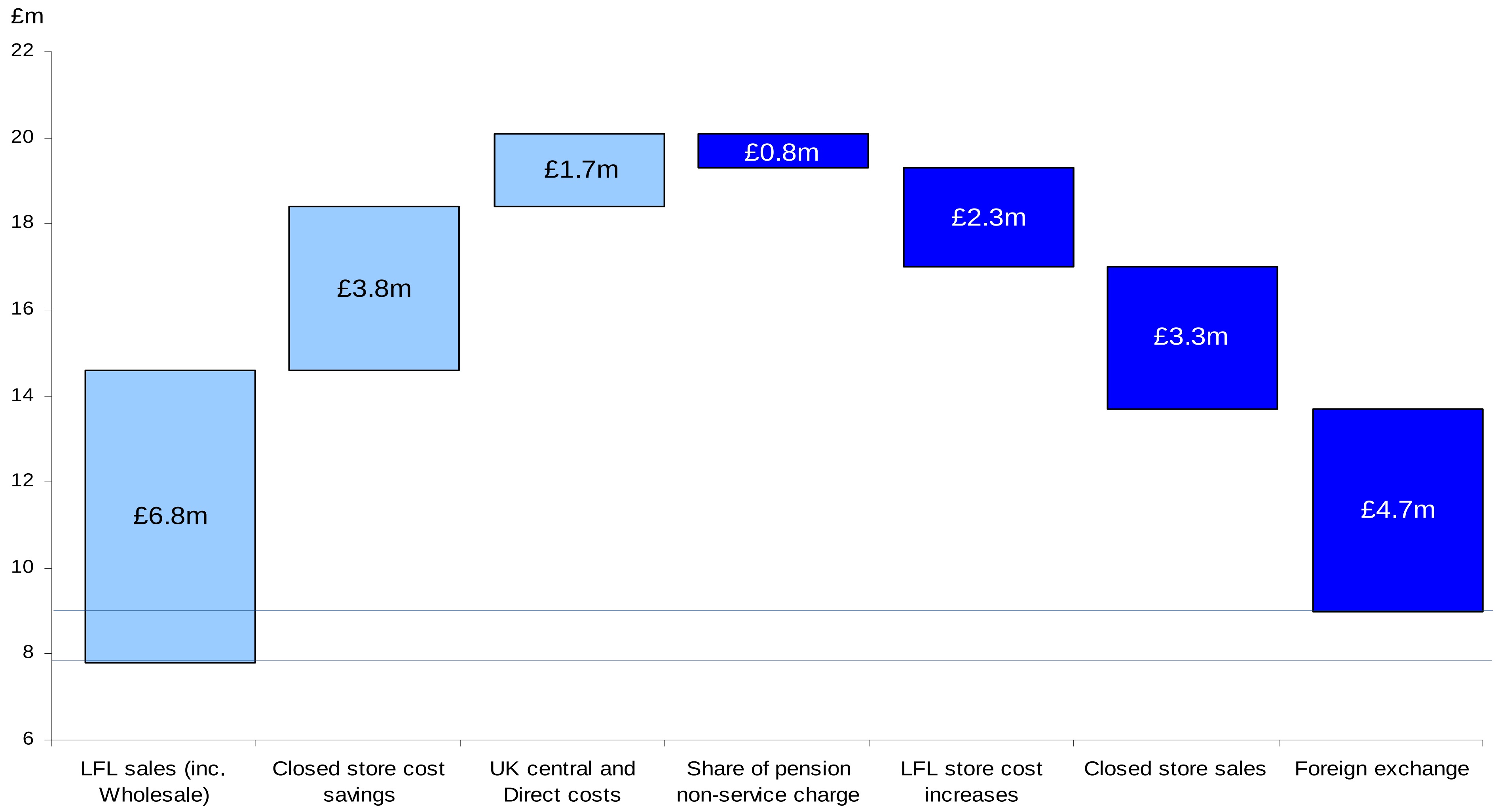
£1.0m growth in group underlying profit



International

	09/10	08/09	
International retail sales	**£252.8m**	**£195.0m**	30%
International retail sales at constant currency	£258.2m	£218.3m	18%
Underlying profit from operations	**£11.8m**	**£7.7m**	**53%**
Retail space '000 sq. ft.	**1,420**	**1,207**	**18%**

UK profit from operations up £1.2 million



“Phase 1” property restructure – almost complete

- “Phase 1” announced in May 2008; 145 stores affected; >90% completed
- H1 2007 to H1 2009:
  - Trading footage down 7%
  - SPF up 8% to £297
- £14.2m reduction in UK store costs (£10.4m in 2008/09; £3.8m in H1 2009/10)
- £5.0m of additional profit benefit; £2.4m delivered in 2008/09; £2.6m planned in 2009/10
- Completed with £5.0m less capex – strong returns

“Phase 1” property strategy – key learnings

- Rightsize and 2-into-1s successful
- High sales transfer from closed ELC stores to new inserts and web
- Out-of-town parenting centres with ELC inserts a real success:
  - 20% of store numbers
  - 45% of store sales
  - 65% of store profit

UK property strategy “Phase 2” – announced today

Property strategy learnings

Favourable lease expiry profile (180 expire 09/10 → 11/12)

Weak property market

Property strategy “Phase 2”

Property strategy “Phase 2”

120 stores affected (in addition to 145 in “Phase 1”):

1) Additional out-of-town parenting centres
   - New catchments
   - Accelerate in-town to out-of-town

2) Rationalise high street chain
   - Lower profit in-town stores → closure/rent re-negotiation/2-into-1

3) In-town opportunities
   - “Landmark” stores in key City centres

Out-of-town parenting centres

- Opportunity – 120 new parenting centres
- High capital contributions
- Favourable rentals/incentives
- 5- to 10-year leases; monthly rentals
- ROI >75%; payback <18 months

Rationalise high street chain

- 90 lower profit high street stores with expiry in next three years
- These 90 renegotiated or closed
- Average rent reductions YTD 40% achieved
- Substantial shift in-town to out-of-town

Property strategy benefits

£ million	Incremental benefit per annum
2008/09 actual	2.4
2009/10 estimate	2.6
2010/11 estimate	5.0
2011/12 estimate	5.0
Annual benefit by 2011/12	**£15.0m**

"Phase 1"
£5.0m
announced
May 2008

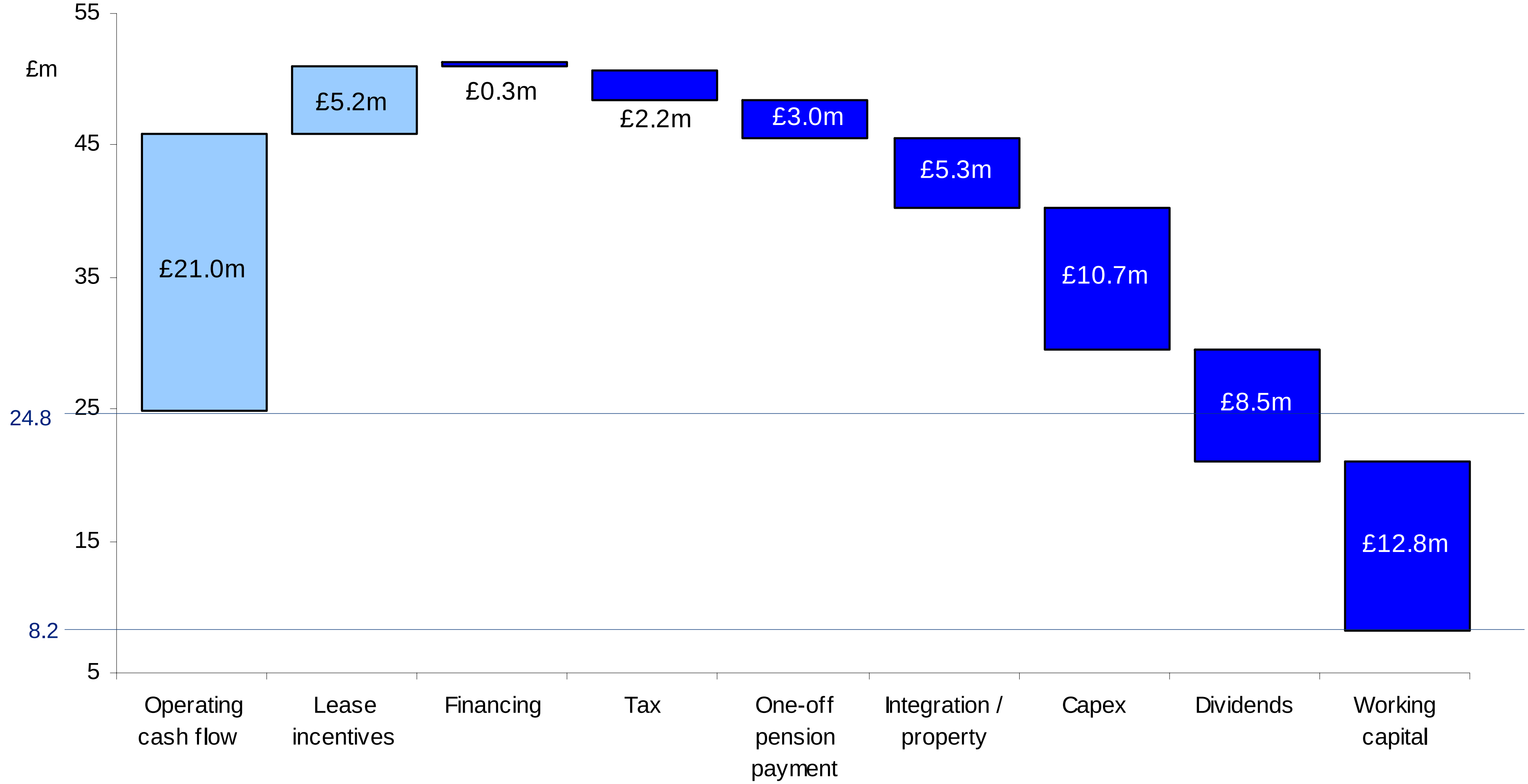
- Minimal new net capex (within current guidance)

Group balance sheet

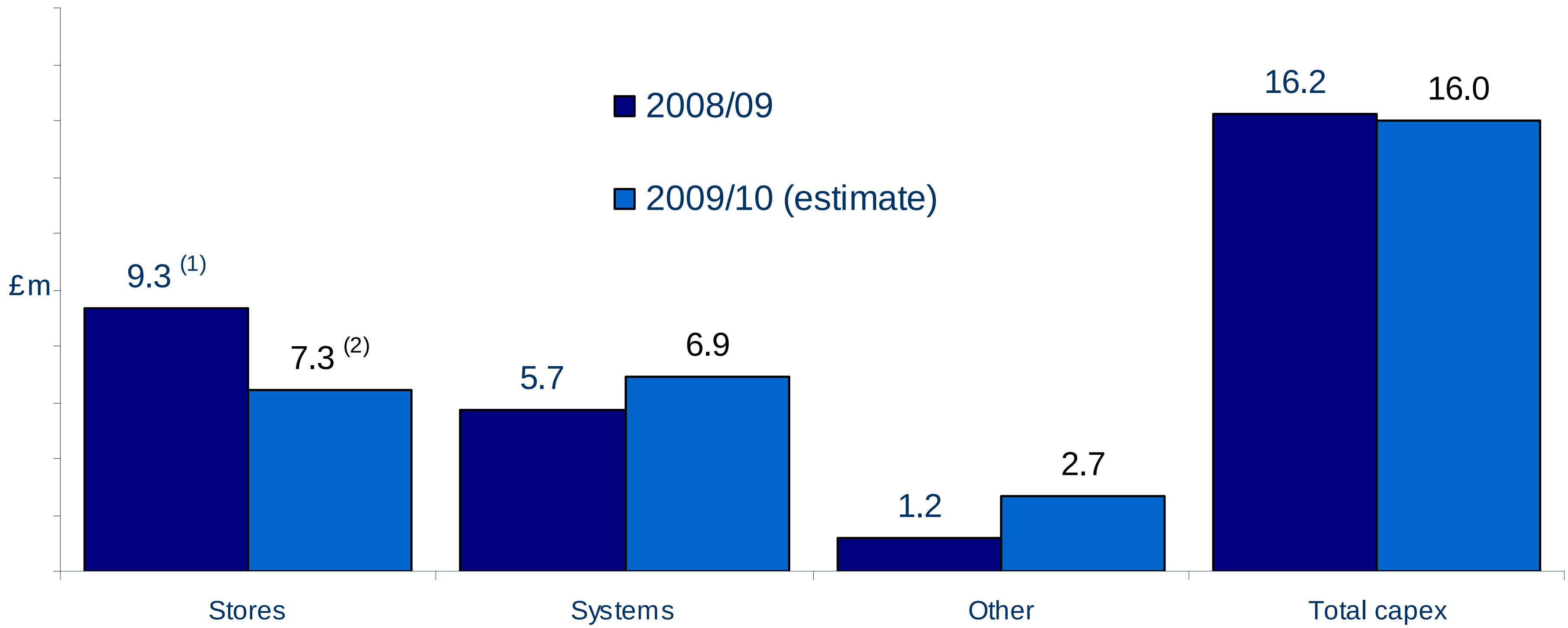
	H1 09/10 £m	H1 08/09 £m	FY 08/09 £m
Non current assets			
– Fixed assets	92.1	97.8	93.1
– Intangibles	104.0	104.4	104.5
Net current assets			
– Working capital	49.0	40.8	37.3
– Cash	8.2	8.4	24.8
– Other	(15.2)	(18.4)	(2.1)
Non current liabilities			
– Pensions	(44.5)	(5.5)	(25.4)
– Tax	9.2	(4.5)	(1.3)
– Other	(33.7)	(28.5)	(33.4)
Net assets	**169.1**	**194.5**	**197.5**

Note: 08/09 has been restated for the impact of IAS 38

Group cash flow



Group capex



(1) Net of landlords' contributions of £6.6m in 2008/09
(2) Net of forecast landlords' contributions of £10.4m for 2009/10

Guidance for full year 2009/10

- International and Direct continue strong growth
- At least 115 new overseas franchise stores
- Gross margin dilution estimated @ 100 bps
- Total pension charge £3.2m (+£2.3m YOY)
- Total share based payment charge estimate £12m (+£4.4m YOY)
- Continued tight cost control
- Property rates +£2.5m per annum 10/11
- Capex @ £16.0m
- Well placed for an important H2

Ben Gordon

Chief Executive

Mothercare group strategy

Two global brands

4 growth channels

- UK stores
- Franchise
- Direct
- Wholesale

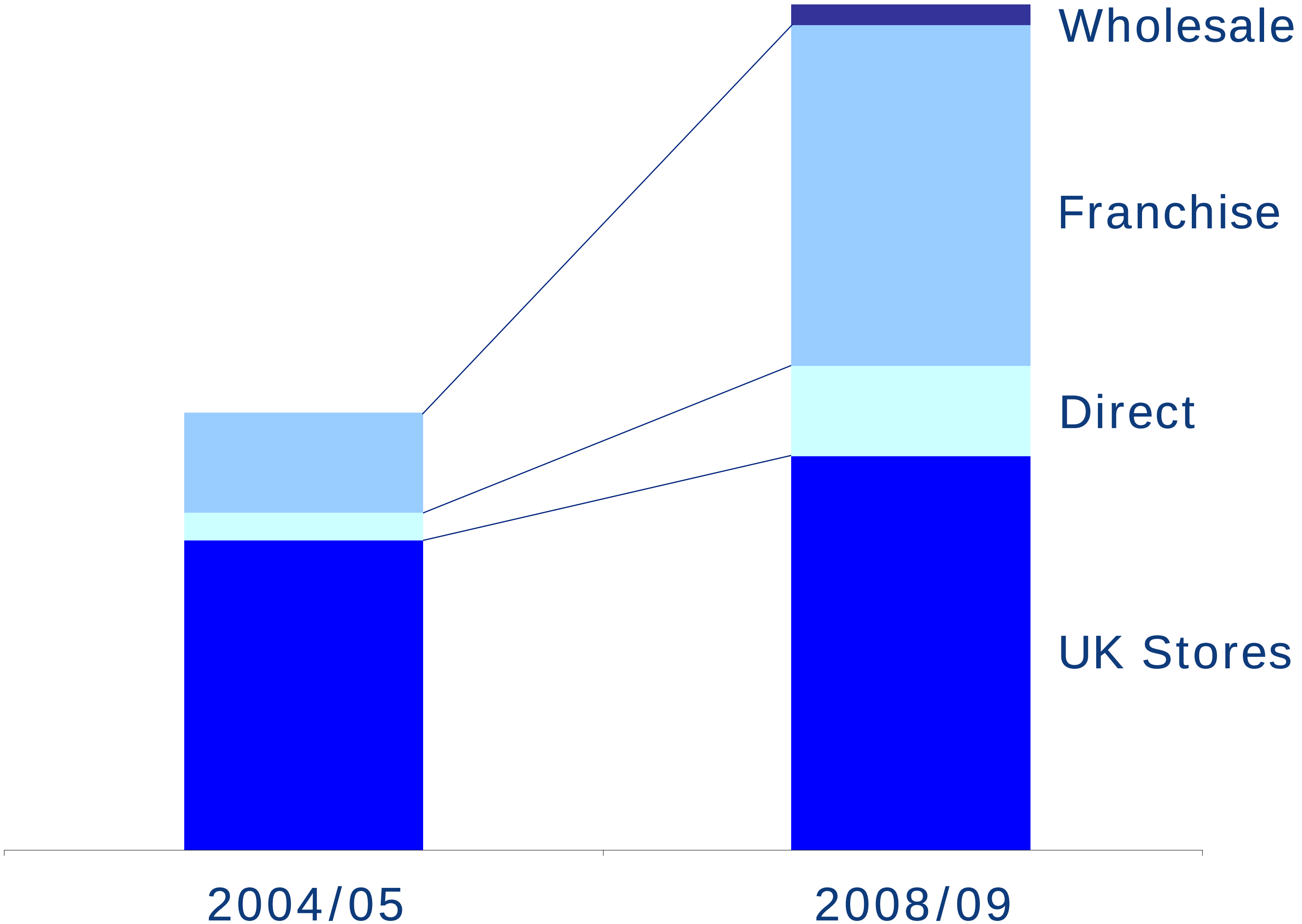
Two world class brands

Spin – own brand innovation

M2B launch

Retro robot – ‘better’ price

Channel Growth



Total ‘Network’ Sales increased from £520m (04/05) to £983m (08/09)

UK stores strategy

Two global brands

4 growth channels

UK STORES

- Parenting Centres
- Landmark
- High Street

FRANCHISE

- Europe
- Middle East & Africa
- Asia

DIRECT

- Range
- Services

WHOLESALE

- Other brand
- Own brand

Parenting Centres

UK Stores
- **Parenting Centres**
- Landmark stores
- High Street stores

Poole

- Destination stores – wide catchments
- Full range of Mothercare, ELC, concessions
- Most profitable UK format
- 82 today; plans to open 28 more in 3 yrs
- 120 parenting centres total opportunity

Landmark stores

UK Stores
- Parenting Centres
- **Landmark stores**
- High Street stores

Birmingham

- High profile, high footfall sites
- Zone A locations
- Landlords contributions
- New stores in Liverpool and Cardiff
- 4 stores to date; target 12 by 2012

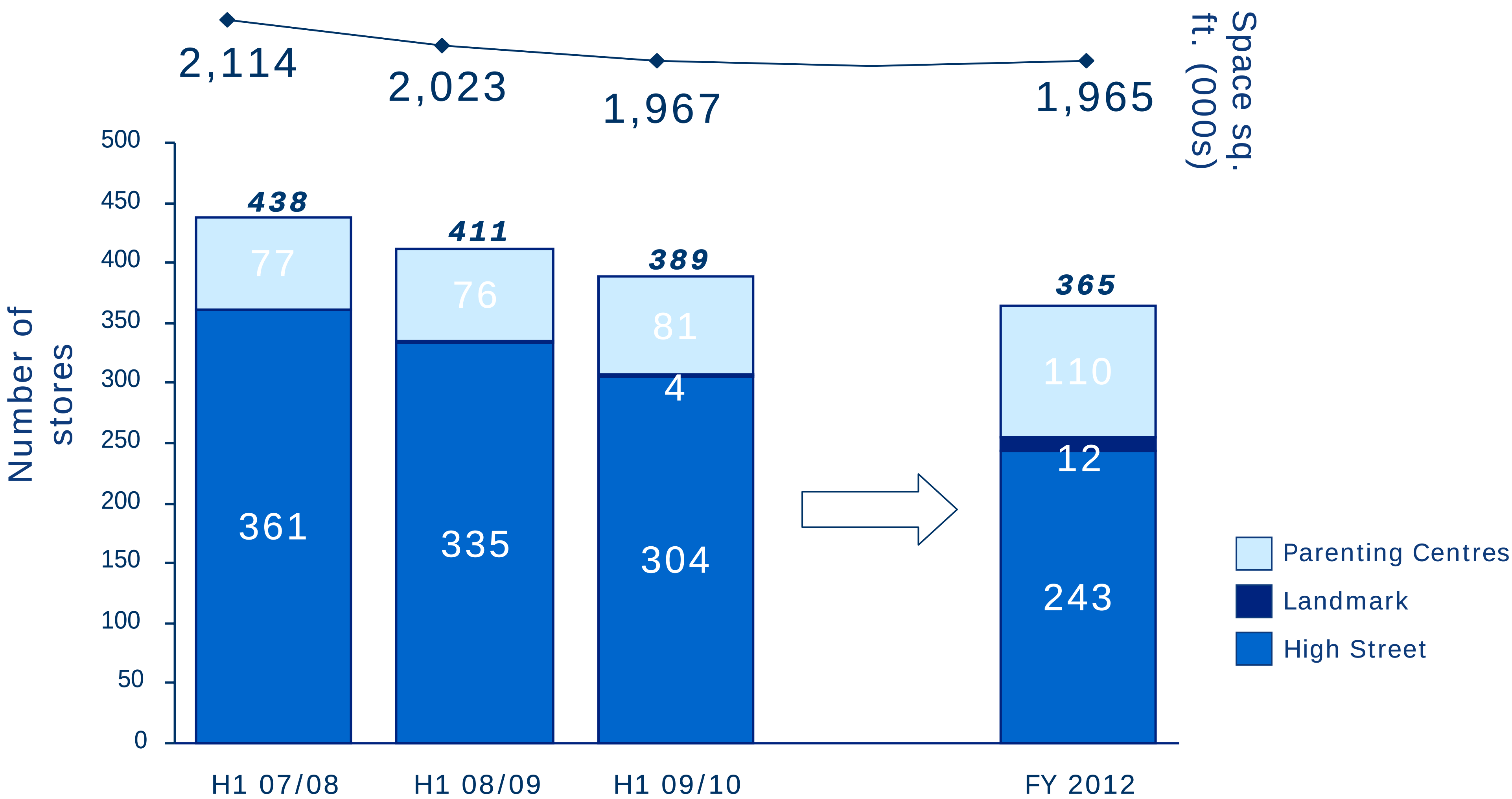
High Street stores

UK Stores
- Parenting Centres
- Landmark stores
- **High Street stores**

- c. 60% of high street leases up for renewal in next three years
- Increased flexibility
- YTD renewals already reducing rents by 40%

Store portfolio by 2012

UK STORES
- Parenting Centres
- Landmark Stores
- **High Street Stores**



Franchise strategy

Two global brands

4 growth channels

UK STORES

- Parenting Centres
- Landmark
- High Street

FRANCHISE

- Europe
- Middle East & Africa
- Asia

DIRECT

- Range
- Services

WHOLESALE

- Other brand
- Own brand

International growth

- Opening larger format stores; greater product ranges
- New stores in existing countries
- Entering new countries

Chalika, Greece

Europe strong growth

FRANCHISE
- **Europe**
- Middle East & Africa
- Asia

- Europe – currently 312 stores in 27 countries

Middle East & Africa

FRANCHISE
- Europe
- **Middle East & Africa**
- Asia

- Middle East & Africa – currently 218 stores in 10 countries

Middle East & Africa

FRANCHISE
- Europe
- **Middle East & Africa**
- Asia

More stores in China

FRANCHISE
- Europe
- Middle East & Africa
- **Asia**

Huai Hui Road, China

- Asia – currently 164 stores in 13 countries

India new JV announced

FRANCHISE
- Europe
- Middle East & Africa
- **Asia**

Mumbai, India

- DLF, new JV partner
  - India's largest real estate company
  - Standalone stores in malls
- Shoppers' Stop
  - Shop-in-shops
- Mothercare 30% of JV
- Currently 24 stores; targeting 200

Mothercare Direct – strategy for growth

Two global brands

4 growth channels

UK STORES

- Parenting Centres
- Landmark
- High Street

FRANCHISE

- Europe
- Middle East & Africa
- Asia

DIRECT

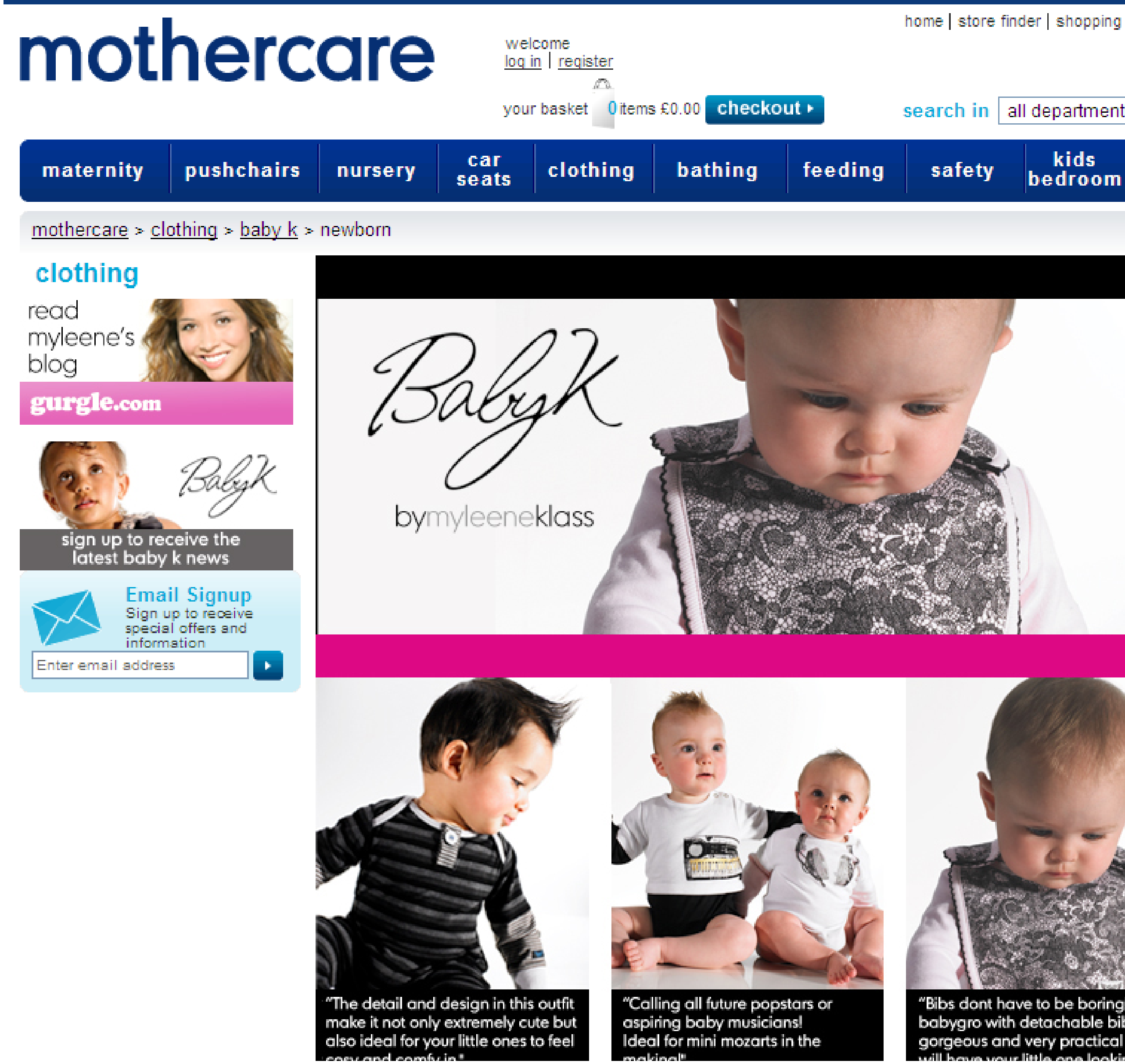
- Range
- Services

WHOLESALE

- Other brand
- Own brand

More clothing online

DIRECT
- **Range**
- Services
- International



- Widest choice
- Over 400 pushchairs
- Over 350 car seats
- 85% of clothing online and growing

gurgle.com

DIRECT
- Range
- **Services**
- International

Wholesale strategy

Two global brands

4 growth channels

UK STORES
- Parenting Centres
- Landmark
- High Street

FRANCHISE
- Europe
- Middle East & Africa
- Asia

DIRECT
- Range
- Services

WHOLESALE
- Other brand
- Own brand

UK & International wholesale

WHOLESALE
- **Other brand**
- **Own brand**

New toiletries range

WHOLESALE
- Other brand
- **Own brand**

Summary and Outlook

Two global brands

4 growth channels

- UK stores
- Franchise
- Direct
- Wholesale

Q&A

Key store data as of October 2009

	October 2007	March 2008	October 2008	March 2009	October 2009
Total UK Stores					
Total stores	438	425	411	**405**	**389**
High street	361	348	335	**326**	**308**
Out of town	77	77	76	**79**	**81**
Selling area (000s sq. ft.)	2,114	2,070	2,023	**2,007**	**1,967**
Sales* per sq. ft.	275	284	288	**288**	**297**
* Rolling 12 months UK Sales inc Direct ex VAT					
International Stores					
Europe	183	199	238	**262**	**301**
Middle East and Africa	152	165	188	**198**	**213**
Asia	127	130	146	**149**	**157**
Total stores	462	494	572	**609**	**671**
Selling area (000s sq. ft.)	828	1,040	1,207	**1,294**	**1,420**